

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 SIL-01 OMB-01 NSC-05 PRS-01 /063 W

-----058494 260322Z /75

R 252015Z AUG 77

FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC 6945

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY GEORGETOWN

AMEMBASSY NASSAU

AMEMBASSY PORT OF SPAIN

C O N F I D E N T I A L KINGSTON 4968

E.O. 11652: GDS

TAGS: PINT, PDEV, EFIN, PGOV, ELAB, JM

SUBJECT: UNIONS CHALLENGE GOVERNMENT'S EFFORTS CONTROL WAGES

1. THE EFFORTS OF THE GOVERNMENT OF JAMAICA TO LIMIT WAGE INCREASES TO NO MORE THAN J\$10 PER WEEK ARE BEING CHALLENGED BY MOST OF THE TRADE UNIONS. ON AUGUST 24 THOSE UNIONS ISSUED A STATEMENT DEMANDING THE GOVERNMENT WITHDRAW ITS WAGE GUIDELINES BY AUGUST 31 AND PERMIT INCREASES MORE CONSISTENT WITH THE RECENT 37-1/2 PERCENT DEVALUATION. UNDER THE WAGE GUIDELINES, NO WAGE INCREASE MAY EXCEED J\$10 PER WEEK. THE TWO UNIONS OF THE TWO POLITICAL PARTIES ARE IN THE FOREFRONT OF THE CAMPAIGN. ALTHOUGH THE UNIONS HAVE NOT ANNOUNCED WHAT ACTION THEY WILL TAKE SHOULD THE GOVERNMENT FAIL TO BE RESPONSIVE, THEIR ULTIMATE WEAPON, OF COURSE, WOULD BE A STRIKE. GIVEN THE NUMBER OF WORKERS REPRESENTED, IT WOULD BE A VIRTUAL GENERAL STRIKE.

2. FINANCE MINISTER DAVID COORE (WHO IS PRESENTLY ACTING PRIME MINISTER) TOLD US TODAY (AUGUST 25) THAT THE ACTION OF THE UNIONS IS THE MOST SERIOUS THREAT THE
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GOVERNMENT CONFRONTS AS IT SEEKS TO MEET THE IMF'S REQUIREMENTS. HE TOLD US, HOWEVER, THAT THE GOVERNMENT ANTICIPATED UNION OPPOSITION, ALTHOUGH ADMITTEDLY NOT AS VIGOROUS AS HAS DEVELOPED, AND IS PREPARING LABOR-BENEFIT LEGISLATION, SUCH AS MORE BENEFICIAL UNEMPLOYMENT INSURANCE, RETIREMENT PAYMENTS, ETC. AND IARHAPS A MODEST COMPROMISE ON THE WAGE LID AS A MEANS OF ASSUAGING

THE UNIONS. COORE DOES NOT THINK THE OUTCOME WILL DO
DAMAGE TO ITS COMMITMENT TO THE IMF ON INCOMES POLICY.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: UNION GOVERNMENT RELATIONS, WAGE CONTROLS, THREATS, LABOR STRIKES
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KINGST04968
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770308-0729
Format: TEL
From: KINGSTON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770825/aaaaauep.tel
Line Count: 66
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f26a7053-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1489549
Secure: OPEN
Status: NATIVE
Subject: UNIONS CHALLENGE GOVERNMENT'S EFFORTS CONTROL WAGES
TAGS: PINT, PDEV, EFIN, PGOV, ELAB, JM
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f26a7053-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009